



House of Representatives

General Assembly

File No. 93

February Session, 2002

Substitute House Bill No. 5468

House of Representatives, March 21, 2002

The Committee on Labor and Public Employees reported through REP. DONOVAN of the 84th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MUNICIPAL PENSION BENEFIT REDUCTIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-450 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Any municipality or subdivision [thereof] of a municipality may,
4 by ordinance, establish pension and retirement systems for its officers
5 and employees and their beneficiaries, or amend any special act
6 concerning its pension or retirement system, toward the maintenance
7 in sound condition of a retirement fund or funds, provided the rights
8 or benefits granted to any individual under any municipal retirement
9 or pension system shall not be diminished or eliminated.
10 Notwithstanding any provision of section 7-474, this subsection shall
11 not be construed to permit any such municipality or any subdivision of
12 any such municipality, through its legislative body or any other board,

13 to diminish or eliminate through the collective bargaining process the
14 rights or benefits granted to any retiree under a municipal retirement
15 or pension system.

16 (b) The legislative body of any such municipality, by a two-thirds
17 vote, may provide for pensions to persons, including survivors'
18 benefits for widows of such persons, not included in such retirement
19 or pension system.

20 Sec. 2. (*Effective from passage*) Notwithstanding any provision of
21 special act 01-1, subsection (a) of section 7-450 of the general statutes,
22 as amended by section 1 of this act, shall not be construed to permit a
23 municipality or subdivision of a municipality that has, by ordinance,
24 established a pension or retirement system for its officers and
25 employees and their beneficiaries, through its legislative body or any
26 other board, to diminish or eliminate through the collective bargaining
27 process the rights or benefits granted to any retiree under such
28 municipal retirement or pension system.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

LAB *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Effect	Municipalities
STATE MANDATE - Eliminates Savings	Waterbury
STATE MANDATE - Eliminates Potential Savings	Various Municipalities

Explanation

The bill would prevent savings in Waterbury resulting from the actions of the Waterbury Financial Planning and Assistance Board (Board) regarding the health benefits of retired city workers. The Office of Policy and Management has indicated that the changes by the Board would save the municipality approximately \$2 million, annually.

Additionally, the bill prevents other non-MERF (Municipal Employees Retirement Fund) municipalities from making changes to their retirees' municipal pension benefits, thereby eliminating potential municipal cost savings that could result from such benefit reductions or changes.

OLR Bill Analysis

sHB 5468

**AN ACT CONCERNING MUNICIPAL PENSION BENEFIT
REDUCTIONS**

SUMMARY:

This bill prohibits legislative bodies or other boards in towns that have their own pension or retirement systems from reducing or eliminating a retiree's pension or retirement benefits through collective bargaining. The prohibition supersedes both existing collective bargaining law and the special act providing financial oversight for Waterbury.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 14 Nay 0